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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 12, 2000

APPLICATION OF

VIRGINIA GLOBAL COMMUNICATIONS SYSTEMS, INC.

CASE NO. PUC000121

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 18, 2000, Virginia Global Communications Systems, Inc. ("Virginia Global" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. On August 14, 2000, Virginia Global filed an amendment correcting certain information in the original application.

By Order dated May 24, 2000, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and

file a report, and scheduled a public hearing to receive evidence relevant to Virginia Global's application.

On August 24, 2000, the Staff filed its report. A supplement to the report was filed on August 28, 2000. Staff found that Virginia Global's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60. Based upon its review of Virginia Global's application, the Staff determined that it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services, subject to the following conditions. First, any customer deposits collected by Virginia Global shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary. Next, Virginia Global shall provide audited financial statements to the Staff of the Division of Economics and Finance no later than one year from the effective date of Virginia Global's initial tariff. Finally, at such time as Virginia Global initiates voice service, the Applicant shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

There were no written comments or notices of protest filed in this proceeding.

A hearing was conducted on September 7, 2000. Virginia Global filed proof of publication and proof of service as required by the May 24, 2000, Order. At the hearing, the application and accompanying exhibits and the Staff Report, as supplemented, were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Virginia Global should be granted certificates to provide local exchange and interexchange telecommunications services, subject to the conditions detailed herein. Having considered § 56-481.1, the Commission further finds that Virginia Global may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

- (1) Virginia Global Communications Systems, Inc., is hereby granted a certificate of public convenience and necessity, No. T-505, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) Virginia Global Communications Systems, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-108A, to provide interexchange

telecommunications services subject to the restrictions set forth in the IXC Rules and the provisions of this Order.

- (3) Should Virginia Global collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines it is necessary.
- (4) Virginia Global shall provide a tariff to the Division of Communications, which conform to all applicable Commission rules and regulations.
- (5) Virginia Global shall provide its audited financial statements to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Virginia Global's initial tariff.
- (6) Virginia Global shall comply with all requirements of § C (Conditions for Certification) of the Local Rules at such time as voice services are initiated.
- (7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.